

17 June 1977

MEMORANDUM FOR: Deputy Director of Training


FROM : 

25X1A

SUBJECT : Organizational Development (OD) (U)

Don:

1. (AIUO) Attached is the material on its way to the DCI concerning the use of OD in the Agency. As I mentioned to you we need some type of comment and Mike decided it would be better to forward as it goes up through channels rather than wait until we are asked to respond.

2. (C) I will have to put a fairly short deadline on this since it must go on its way quickly. I would like to have the answer back from you for Mike's review by the COB on 23 June. If this deadline will give you any trouble, please give me a call. I will be going to  on 25X1A noon Wednesday for about a day and a half with two panels 25X1A

Attachment



SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

UNCLASSIFIED		CONFIDENTIAL		SECRET	
OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		DATE	INITIALS	
1	ADDA		6/24/77	ag	
2	[REDACTED]		6/27	JSM	
3					
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ACTION		DIRECT	PREPARE REPLY		
APPROVAL		DISPATCH	RECOMMENDATION		
COMMENT		FILE	RETURN		
CONCURRENCE		INFORMATION	SIGNATURE		
<p><i>Please prepare something per conversation with [REDACTED]</i></p>					
<p>Remarks:</p> <p><i>Mike - This is OTH's comment on OD. Anything else from us?</i></p> <p><i>[REDACTED]</i></p> <p><i>Hand Carried</i></p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.			DATE		
Michael J. [REDACTED] ADDA			24 June 77		
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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Organizational Development (U)

FROM:

Director of Training
1026 C of C Bldg.

EXTENSION

3245

NO.

OTR Registry

77-7478

DATE

22 JUN 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. A/DDA
7D 26 Hqs.

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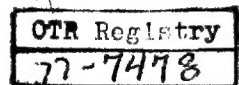
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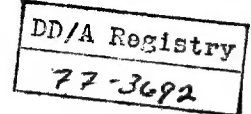
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22 JUN 1977



MEMORANDUM FOR: Associate Deputy Director for
Administration

FROM: Harry E. Fitzwater
Director of Training

SUBJECT: Organizational Development (OD) (U)

1. (U) I find very little to add to the attached discussion of the promises and pitfalls of OD. Embarking on an OD effort is not a decision to be made lightly. It is a long-term process requiring strong and continuing management support. OD demands a high level of commitment from its participants. Once initiated, it does not always lead to results deemed "best" by supervisors, managers, and executives. The process rests on an open, communicative, non-evaluative, non-defensive attitude on the part of participating supervisors and managers. In short, OD efforts hold forth no promise of a quick fix for organizational ills.

2. (U) The results achieved from carefully planned, implemented, and strongly supported OD efforts are at the heart of the continued appeal of the process. For that reason, the Office of Training (OTR) and Office of Medical Services (OMS) have developed and will, to the extent possible, maintain a low key OD capability. The jointly conducted Program on Creative Management is a part of this capability as is the Assessment Center approach sponsored by Psychological Services Staff. The OTR Senior Seminar has also employed OD techniques in several of its runnings. OTR has four individuals capable of handling the OD consultants' role. Our expectation is that these resources will be used in those instances where OD promises benefit. We believe they will most likely occur at the Branch and Division level within the Agency. We are not initiating OD efforts. We have a capability which can respond to OD-like requirements should they surface.

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CL by: 308235

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SUBJECT: Organizational Development (OD) (U)

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3. (C) You might find it useful to discuss OD with [REDACTED] Information Services Staff/DDO (ISS). As you may recall, ISS sponsored an employee survey conducted by Psychological Services Staff. Based on survey results, ISS embarked on a variety of efforts aimed at, among other things, improving communications within the staff. The whole ISS project is, in many ways, a classical OD activity.

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[REDACTED]
Harry E. Fitzwater

Attachment:
As stated

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	UNCLASSIFIED		CONFIDENTIAL		SECRET
OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS			DATE	INITIALS
1	DDTR 1016 C of C Building				
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4	CMO/DDA 7D18 Headquarters				
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6					
ACTION		DIRECT REPLY	PREPARE REPLY		
APPROVAL		DISPATCH	RECOMMENDATION		
COMMENT		FILE	RETURN		
CONCURRENCE		INFORMATION	SIGNATURE		
Remarks:					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.					DATE
[Redacted] x4142					6/16/77
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25X1A

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PERS 77-2329

DD/A Registry
77-4009

13 JUL 1977

DD/A Registry

File OTM 1-2

MEMORANDUM FOR: Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Organizational Development

REFERENCES : (a) Employee Suggestion 77-93
(b) OP comments on reference (a)
(c) DDA comments on reference (a)

1. This memorandum has been prepared at the request of the ADDA and is forwarded for information.

2. The Office of Personnel's response to Suggestion 77-93 was directed to the proposal for the establishment of an Organization Development Staff and our belief that such a Staff could only successfully function where there was centralized Agency or Directorate support for the institutional management objectives of the program including a commitment of resources. The DDA response and the 22 June OTR memorandum, on the other hand, addressed what the Agency is presently doing, ad hoc, along general OD lines. We do not read these responses as in conflict. We also see OTR's responses as reinforcing the thrust of OP's position for the level and kind of support required for a comprehensive program such as proposed by [REDACTED]

3. There has always been a good deal of mystique surrounding OD, much of it engendered by the language used to describe it. An example is the textbook definition given by the suggestor.

"OD is a long range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management of organizational culture, with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioral science, including action research."

In more simple terms, OD is the systematic manner in which an organization's problems are diagnosed and treated, with the goals of making that organization an ideal one for both management and employees.

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STATINTL

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4. Almost any literature on the subject of OD emphasizes its only chance of success is the solid commitment to OD principles at all levels of management and employees, and includes an equal commitment of time, personnel and finances. We have attached a copy of an article from the March - April 1977 Personnel publication on OD, which makes the point that time is the greatest stumbling block to the success of the OD effort--and that it takes three to five years before an OD effort fully takes hold and changes a work culture. Time, further, is only one factor in the implementation of an OD program.

STATINTL

5. Agency records reflect the original suggestion that CIA undertake an Organizational Development Program dates back to 1964. At that time the Agency entered into a contract with [REDACTED] of Austin, Texas for the purchase of the Managerial Grid. The Grid was the first of a six phase program sponsored by [REDACTED] which in its entirety was an OD program. For numerous reasons, mainly time (five years) and funds (\$500,000), the Agency's top management chooses not to make the commitment for the total package. We "bought" the first phase only (Grid) and that program has continued as one of the more popular courses given in the Agency.

6. The points contained in the Director of Training's memorandum of 22 June 1977 summarize the current efforts and list the capabilities existing in the Office of Training and elsewhere in the Agency for the handling of OD type problems. This has been going on for several years. In 1973-74, OTR hired an MBO and OD expert, [REDACTED]. His efforts in CRS, involving over 70,000 man-hours, to improve the effectiveness of that organization, is an example of what can be done, in-house, when internal resources are available and utilized. It also points out the time frame and resources required.

7. We continue to believe, as noted out in our original comments, that OD presents many attractive aspects, apart from the academic viewpoint expressed by the suggestor. We also believe that the establishment of a Staff responsible for OD on a Directorate or Agency level would be a natural step in evolving management concepts. Success of such a project depends, however, on commitment to the content as well as the spirit. Note the first paragraphs of OTR's 22 June memorandum. The successful establishment of a formal OD Staff for the purpose of identification, study, analyses, and finally treatment of the problems, would require top management support and the provision of the whole package of resources required. Only senior management is in a position to determine that the state of management

in the Agency is ready and in a position to benefit from an OD program of the scope proposed, and if the need warrants the necessary diversion of funds and personnel from other programs.

8. It should be noted that the Office of Personnel's response to the suggestion was inadvertently marked "decline". As seen from the substance of the comments the recommendation should properly have been "other". While pointing out the problems we saw in the suggestion, including the lack of any specifics for implementation, it was recommended the suggestion be referred to DDA for further review and comment.

(Signed) F. W. M. Janney

F. W. M. Janney

Att.

Distribution:

Orig & 1 - Adse
2 - D/Pers
1 - OP/RS

OP/P&C/RS [REDACTED] cmc (12 Jul 77)

STATINTL

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Time has an important bearing upon the conduct and durability of an organization development effort. Unfortunately, this factor has often been underrated—if not entirely overlooked.

Time for Organization Development?

Thomas H. Patten, Jr.

Before embarking on an organization development (OD) effort, management should ask itself: Do we have time for OD? This is probably the most serious question that must be explored and satisfactorily answered before starting an OD program. Yet, curiously, most OD practitioners and writers have paid very little attention to this many-faceted question. Instead, they have concerned themselves with issues such as diagnosing problems, planning interventions, designing exercises, searching for new tools, and, occasionally, evaluating the results of OD efforts. Unfortunately, they have failed to realize that time—not technical deficiencies or shortages of innovative and stimulative intellectual thinking on how to do it—is the greatest stumbling block to the success of an OD effort.

How long should OD take?

OD efforts usually begin with a burst of enthusiasm and an implicit, if not explicit, hope that they will pay off relatively

soon—and certainly no longer than after a few months. But of course there is no such thing as instant OD, and various experts claim that, as a rule-of-thumb, it takes three to five years before an OD effort fully takes hold and changes a work culture.

Management-by-objectives (MBO) systems, which are commonly installed as part of an OD effort, are a prime example of ardently desired instant OD. Unfortunately, the highly touted improved results of effective MBO systems often cannot be obtained without months or years of debugging. Obviously, if this much time is required for correcting errors in an MBO installation, the time required to solve the problems arising from implementation of a broader OD effort can only be greater.

Yet top management does not always devote the necessary amount of time to an OD effort once initial enthusiasm for it has subsided (as it most certainly will after the new way of life becomes less novel and managers start to slip or regress to less satisfactory ways of coping). Many top-management groups follow one wave of fads after another with alternating degrees of enthusiasm. Thus OD, like any other new concept or social technology, can be doomed at an early stage of its life when it is no longer spearheaded and led by top management—as it should be.

Still another problem is whether time itself and the dynamics of managerial mobility in large-scale organizations will not be the undoing of OD. If OD takes three to five years for effective implementation, it may kill itself by its own glacial time frame.

For example, the number of executives who are likely to quit, transfer, retire, or be promoted in three to five years in any department or division of reasonable size within the total organization is likely to be so large that the momentum of an OD effort can be lost. In fact, excessive mobility may make OD impossible because the entity being changed and persons playing roles in it are, respectively, excessively unstable and highly career mobile. Of course, excessive mobility can have the opposite effect and actually benefit an OD effort if the people brought in have already adopted a style of management consistent with the desired results. But barring this happy circumstance, what can be done to ensure that an OD effort takes hold and accomplishes its objectives instead of regressing or stagnating because it cannot keep pace with the personnel change within a firm or agency?

The only solution to this problem is a shorter time frame than three to five years from OD initiation to full implementation. This

solution, however, raises yet another question: How rapidly can managers absorb change and still be effective? Somewhere there is a limit to how much can be personally handled at the social-emotional level during a given time period.

Timing and the political climate

Many organizations have severe people problems, unclear objectives, poorly designed and poorly administered pay systems, and many other serious managerial problems. Diagnosis of these conditions often shows that these organizations are not ready for OD and cannot handle it. Timing thus is a factor that cannot be ignored. If it is, improper interventions may be made and the resulting misapplications of OD because of timing errors may not only be disastrous but close out any future consideration of OD for a long period of time.

Similarly, some organizations show many signs of being ready for OD, yet implementation of the OD effort should be delayed pending a change in the political environment at the top or awaiting the passage of some other crucial event, milestone, or strategic juncture. Timing thus has both subjective and objective aspects, and both must be carefully evaluated before embarking upon OD. To be sure, OD practitioners can use various diagnostic tools that may help them in gauging the right timing; but in the final analysis, perception of timing is always intuitive. While this assertion may be anathema to the scientific mind, nevertheless many carefully planned and rational OD interventions have failed because the intervenor's antennae misread signals or misjudged the power of practical obstacles.

Allocating sufficient time for OD

Most people normally think of an OD effort in terms of a simple model involving an external change agent or consultant, an internal change agent or consultant, and the top-management group that leads the change effort. The time problems of top management have already been discussed. The time problems of external and internal change agents need to be examined next.

An external change agent or consultant is normally someone from the outside world who works with an organization to help it in its efforts to improve its managerial processes. This person may

be a commercial consultant, a university professor, or someone else who has expertise and a broad knowledge of other firms or agencies upon which he or she can draw in working with an internal change agent and top management in implementing alterations in the organizational status quo.

Because they are often poor managers of their own time, external change agents can create time problems for an OD effort; they may not allocate sufficient time for clients unless they are very clear about their own priorities and are in great control of their commitments. Perhaps it is the excitement of implementing OD that causes this poor time management. Some consultants act very much like a key in an ignition switch. That is, they insert themselves in situations and start the organizational engine running, but they can equally quickly pop themselves out of the switch and try another, believing that the first engine is now running and the second one needs a start. These consultants seem to forget that they are the key!

The key issue for the external change agent is: How much time will be taken from his or her professional life to work with one particular organization, come back as needed, and stay in touch? The most competent consultants are in high demand, and unless they watch their time schedules, they may not do the job of the change agent properly. Occasionally, in an effort to avoid time problems, they build up staffs and teams with others who provide the requested services. But turning clients over to other change agents often results in an unhappy mixing of the parties and the end of the relationship as well as the OD effort.

A related concern is dealing with external change agents who are not in demand and who have, as a result, excess time that they would like to bill to clients. These individuals may create a dependency relationship with clients and unethically suggest directions in an OD effort that are not really needed but may be personally lucrative. Thus they may not only waste excessive amounts of time for the client but actually have a negative effect both in terms of the malutilization of human and financial resources internally and in terms of creating a poor reputation for the behavioral sciences and their potential application in industry.

A still larger issue involves the sum-total of time available from competent change agents in the United States. If the charges made in recent years concerning the quality of worklife, employee alienation, executive stress, poor planning and goal setting in

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organizations, and various other bits of evidence suggesting some degree of malaise or anomie are taken seriously, then there probably aren't enough capable consultants for the OD work that needs to be done. Although this may be an overstatement of the situation, certainly the time of those consultants who can have a beneficial impact on organizations should not be wasted. Instead, they should take another look at themselves to see if they are functioning either as ignition switches or as truly professional agents of change.

Internal resources and change

Internal change agents or consultants also face many serious time problems in keeping the OD effort alive, on course, and purposeful. They have the difficult job of relating to external change agents and the managerial group that is leading the OD effort as well as to the client organization as a whole. In many respects, their time is the organization's time; yet they must carve out a role for themselves within the time that is available so that an OD effort will have the desired impact.

Internal change agents must spend much of their time determining how much time managers can spend on site or off site in the seminars, workshops, and OD endeavors that will result in the desired improvements in their management styles. Much of this is "selling" time, or time used to communicate to others in a persuasive way. In addition, a portion of the internal change agent's time is allocated to planning and perhaps to acting as a group facilitator, third-party interpersonal peacemaker, problem diagnostician, and program evaluator.

However, internal change agents may not have sufficient time to carry out all these important and interrelated roles. Thus they end up being firefighters or mere links to the world of external change agents, allowing people from the latter to give their time to the change effort while they merely coordinate in a rather passive, uncritical sense. Implicit in this style of operating is intense time pressure that depresses the individual's energy and results in relatively poor professional time utilization.

A well-planned special assignment in OD can be very beneficial to a manager. But if internal change agents are asked to wear more than one managerial hat, their time for the implementation of the OD effort is correspondingly reduced. For example, an experi-

enced, highly regarded production superintendent or a district sales manager who is removed from his regular job and is given the time to work instead as a full-time internal change agent may, by virtue of the new assignment, experience new flows of energy that he enthusiastically converts to the work itself. On the other hand, an already overly busy personnel assistant, training director, or organizational planner who is asked to take on the full OD staff role in addition may find he has no time to do a decent job. This may be called the "whirling dervish syndrome." In the latter case, the difference between success and failure is caused far less by the competence of the person than by the excessive incursions into his or her time by assigned work. In other words, he or she is overloaded.

If the internal change agents are already overburdened, they almost inevitably will have no time for research. Not only will they be short of time for planning when to do research (in either the short or long range) and for designing research components of interventions but also they will lack sufficient time for evaluative work of any kind. Such situations are almost certain to turn an OD facilitator into an interpersonal and organizational firefighter in the narrowest sense.

This is particularly unfortunate in the OD role because one of the prime models for OD is the action research model, which emphasizes data-based interventions, feedback of results, and planned change efforts. In other words, research is part of the ethic of OD. The cyclical process in action research has the cumulative effect of steadily improving the processes of managerial problem solving and decision making. Ideally, the OD facilitator who is an internal change agent should role-model what he believes to be the proper way of functioning. But this can hardly happen if he spends the bulk of his time on busy-work, however important, and no time is devoted to research and evaluation.

Lack of time for research is particularly critical for internal change agents for still another reason. They must have time to keep abreast of new developments in OD, experiment, and learn about ways that might save time for their employers in implementing OD efforts. New exercises and designs for OD are proliferating at a bewildering rate and need to be studied and tested in the field. For example, the rise of instrumentation in OD has been an important innovation and in itself represents a potential time-saver for learning in group settings. Specifically, the

use of various instruments designed to provide groups with rapid feedback about the dimensions of human behavior in managing people used to take hours or days when the main learning vehicle in OD was the T-group. Now time can be saved by using carefully designed and ingeniously insightful instruments such as team-building sessions, role-negotiation exercises, and personal-growth laboratories that emphasize risk taking. If internal change agents never had time to learn about instrumentation and new developments, additional time truly useful for OD would have been wasted. And the waste of human resources is tantamount to the waste of that second most precious resource—time.

The last reason that internal change agents need to consider time relates to some of the issues previously raised. In particular, internal change agents should be keenly aware of how much time is required to carry out an OD effort; when to terminate OD, if ever; and when to decelerate OD and key down. In order to remain attuned to the progress, successes, and failures of OD, internal change agents need time to observe, to speak to those being affected by the change effort, and to carry out research on what has been accomplished.

Every phase of OD—and even the OD effort itself (in the sense of no longer calling OD by this particular name)—probably has a termination point. Internal change agents must be able to recognize when the new way of life has been achieved and when the label OD can be dropped because it is no longer needed to describe a distinctive effort that took place at a point in time. Time has been set aside and used, and goals have been reached. While there may be new goals and new efforts, old goals and old efforts no longer govern, and one game plan, at least, has been terminated. Internal change agents must be able to recognize these facts of life and to work through a common understanding of these matters with external change agents and top management. The time dimension will provide one basis for recognition and sharing of the perception of termination.

Conclusion

The literature on organization development has been negligent in considering the implications of time and time management for OD. The various subtle ways in which time impacts on the success and failure of OD have been identified above. Of these, perhaps

the greatest time waste of all is the casting about after fads in OD, such as constantly jumping on bandwagons and mindlessly switching from T-group to team building, transactional analysis, gestalt approaches, and assertiveness training without ever taking time to evaluate what has been accomplished.

Perhaps the most serious time issue still to be resolved is whether OD can be accelerated to more quickly improve management than can now be expected in a three- to five-year period of trial. All other time problems are ancillary to this one because the bottom line in OD is improved management by a group of managers who work together in the real world. Although there can be no such thing as instant OD, new ways must be found for accelerating the process if OD is to help managers in dynamic enterprises. Identification of some of the time issues analyzed in this article can point the way. But much more must be learned about the effective and efficient administration of OD efforts, and more attention must be given to how OD time is allocated and managed before proceeding with uncritical advocacy of more OD as a good thing in general for management.

□ □ □

THOMAS H. PATTEN, JR. is a professor at the School of Labor and Industrial Relations, Michigan State University. He previously taught at the University of Detroit and was a personnel executive at Ford Motor Company. Dr. Patten has consulted on personnel management and organization development matters throughout the world and has authored more than 50 articles and four books. He received a Ph.D. degree from Cornell University. In 1972, he served as national general chairman of the OD Division of the American Society for Training and Development and continues to serve as a member of many professional organizations in the personnel field.